

CINELINE

CINELINE INDIA LIMITED

(Formerly known as Cinemax Properties Limited)

Corporate Identity Number (CIN): L92142MH2002PLC135964

REGISTERED OFFICE: 215, Atrium, 10th floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai: 400 093. Tel: 91-22-6726 6666 Fax: 91-22-6693 7777

Email Id: investor@cineline.co.in Website: www.cineline.co.in

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on Wednesday, 17th September, 2014 at 10:00 a.m. at Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri (East), Mumbai – 400093, to transact the following business:

ORDINARY BUSINESS

Item No. 1: Adoption of financial statements:

To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: Appointment of Director:

To appoint a Director in place of Mr. Sanjay Sanghvi (DIN: 01692117) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3: Appointment of Auditors:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Walker, Chandok & Co. LLP, Chartered Accountants (Firm Registration No. **001076N/N500013**), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Sixteenth AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket travelling and living expenses, etc, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

Item No. 4: Appointment of Mr. Utpal Sheth as an Independent Director of the Company:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Utpal Sheth** (DIN 00081012), appointed as an Independent Director of the Company, whose period of office is liable to determination by retirement by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office till the conclusion of the Seventeenth AGM of the Company.

Item No 5: Appointment of Mr. Kranti Sinha as an Independent Director of the Company:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Kranti Sinha** (DIN 00001643), appointed as an Independent Director of the Company, whose period of office is liable to determination by retirement by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office till the conclusion of the Seventeenth AGM of the Company.

Item No 6: Appointment of Mr. Sivaramakrishnan Iyer Independent Director of the Company:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Mr. Sivaramakrishnan Iyer** (DIN 00503487), appointed as an Independent Director of the Company, whose period of office is liable to determination by retirement by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office till the conclusion of the Seventeenth AGM of the Company.

Item No 7: Adoption of new set of Articles of Association:

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, the new draft Regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution and, to the entire exclusion of the Regulations contained in the existing Articles of Association of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company."

By Order of the Board
For **Cineline India Limited**
(Formerly known as Cinemax Properties Limited)

Place: Mumbai
Date: August 1, 2014

Jatin J. Shah
Company Secretary

Registered Office:

215 Atrium, 10th Floor,
Opp. Divine School,
J.B. Nagar, Andheri Kurla Road,
Andheri- East, Mumbai- 400093
CIN No: L92142MH2002PLC135964
Website: www.cineline.co.in
Email: investor@cineline.co.in
Tel No: 022-6726 6666
Fax No: 022-6693 7777

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 3 to 6 of the Notice, is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself/ herself and the proxy need not be a member of the company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf, of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The register of Members and the Share Transfer Books of the Company will remain closed from September 11, 2014 to September 17, 2014 (both days inclusive) for the purpose of Twelfth Annual General Meeting of the Company to be held on September 17, 2014.
4. Pursuant to the requirements on Corporate Governance under Clause 49 of the Listing Agreements entered into with Stock Exchange(s), the information about the Director proposed to be re-appointed is given in the Annexure to the Notice.
5. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. Link Intime India Private Limited is our Registrar and Transfer Agent of the Company. All the investor related communication may be addressed to them at their following address:

Link Intime India Private Limited (Cineline Division)
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup – West,
Mumbai – 400 078.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited (LIPL) to provide efficient and better services.
9. Members holding shares in physical form are requested to intimate such changes to LIPL. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIPL for assistance in this regard.
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
12. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
13. Members may also note that the Notice of the Twelfth AGM and the Annual Report 2013-14 will be available on the Company's website, www.cineline.co.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : investor@cineline.co.in or +91-22-67267777.
14. Members seeking any information with regard to the Accounts, operations, etc are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with LIPL/Depositories.
16. Documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company on all working days (that is Monday to Friday) between 11.00 a.m. to 1.00 p.m. up to the date of this meeting.
17. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that, pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government.

Members who have not yet encashed their dividend warrant(s) pertaining to the Dividend for the financial year 2006-07 onwards for the Company are requested to make their claims without any delay to LIPL. It may be noted that the unclaimed Dividend for the financial year 2006-07 declared by the Company on September 7, 2007 can be claimed by the shareholders by September 6, 2014.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
19. In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for members for voting electronically are as under:-

- A. **In case of members receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):**
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <CINELINE INDIA LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

Please follow all steps from sl. No. (i) to sl. No. (xvi) above to cast vote.

C. Other Instructions:

- (i) The e-voting period begins on Wednesday, September 10, 2014 (9.00 a.m. IST) and ends on Friday, September 12, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on August 1, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the same cannot be changed subsequently.
- (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 1, 2014.
- (iii) Mr. Dharmesh Zaveri, Practicing Company Secretary (Membership No. FCS 5418), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (v) The results on resolutions shall be declared on or after the Annual General Meeting (AGM) of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- (vi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cineline.co.in and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at the Twelfth AGM of the Company on September 17, 2014 and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- (vii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

20. Members may please note that briefcase, bag, mobile phone and eatables will not be allowed to be taken inside the venue of the meeting for security reasons.

EXPLANATORY STATEMENT
(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013(Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 to 7 of the accompanying Notice:

Item No. 3:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s Walker, Chandio & Co. (ICAI Firm Registration No. **001076N/N500013**), Chartered Accountants (Cas), Mumbai were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on September 19, 2013. M/s Walker, Chandio & Co converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as M/s Walker, Chandio & Co., LLP with effect from March 25, 2014. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of Chartered Accountant, being an auditor in a Company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of directors of the company has taken due note of this Change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by M/s Walker, Chandio & Co. LLP.

M/s Walker, Chandio & Co.LLP, has been the Auditors of the Company since 2008-09 and has completed a term of six years. As per the provisions of section 139 of the Companies Act, 2013 no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Walker, Chandio & Co. LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 26, 2014, proposed the appointment of M/s Walker, Chandio & Co. LLP as the Statutory Auditors of the Company for a period of Four (4) years to hold office from the conclusion of this AGM till the conclusion of the Sixteenth AGM of the Company to be held in the year 2018 (subject to ratification of their appointment of every AGM).

The Board recommends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.3 of the accompanying Notice.

Item Nos. 4 to 6:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Kranti Sinha, Mr. Utpal Sheth and Mr. Sivaramakrishnan Iyer, as Independent Directors.

Pursuant to the provisions of section 149 of the Companies Act, 2013 (Act) which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

All the Non-executive directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Act and they have given their consent to act a Director.

The Board has recommended the appointment of these Directors as Independent Director from September 17, 2014 to September 16, 2019.

A brief profile of the Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice.

Except these Directors, being appointees or their relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 to 6 of the accompanying Notice.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Item No. 7:

The Articles of Association (the Articles) of the Company are in conformity with the provisions of the Companies Act, 1956 and the Rules framed there under and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Ministry of Corporate Affairs, Government of India, had notified the majority of the provisions of the Companies Act, 2013 and has framed the Rules. Consequently, the Articles are being altered in order to comply with provisions of Companies Act, 2013 (Act) and the Rules framed there under.

In view of the above, it is considered prudent to substitute the existing Articles by a new set of Articles. The proposed Articles are based on Table 'F' of Schedule-I of the Act which provides the model Article of Association for a Company Limited by Shares.

Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

Sl. No.	Chapter reference as per new draft Articles of Association	Article reference as per new draft Articles of Association	Summary of change
1.	Chapter II	Interpretation	Definitions are appropriately modified to align with the provisions of the Companies Act. 2013.
2.	Chapter III	Share Capital - Article 4	Article 4 is amended to state that the Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum of Association.
3.	Chapter IX	Further issue of Capital - Article 74	To include offer of shares under employee stock option plan subject to applicable laws and regulations from time to time and; To enable the Company with a right to issue further shares which shall include a right to the Company to issue any instrument including shares resulting in Depository Receipt.
4.	Chapter XII	Restrictions on transfer of shares to more than three persons as joint holders: Article 82	Article 82 is amended to enable the Company to restrict the transfer of shares to more than three persons as joint holders.

Sl. No.	Chapter reference as per new draft Articles of Association	Article reference as per new draft Articles of Association	Summary of change
5.	Chapter XIII	General Meetings: Article 87	Amendments are proposed to align with the provisions of the Companies Act, 2013 regarding length of the Notice calling the general meetings, requirement of to whom the notice for the general meeting needs to be given, material facts to be set out in the explanatory statements, business to be transacted at the general meetings and other general meeting matters.
6.	Chapter XV	Voting rights : Article 111	To include voting electronic means
7.	Chapter XVI	Capitalization : Article 137	To remove redundant provisions and to align new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized.
8.	Chapter XXI	Proceedings of Board of Directors : Article 170 to 174	Meetings of the Board of Directors, quorum for the meeting, notice calling the meeting, etc. including the operational parts are amended to align with the provisions of the Companies Act, 2013.
9.	Chapter XXII	Appointment of Key Managerial Personnel : Article 184	Article 184 is introduced to align new provisions relating to appointment of Key Managerial Personnel (KMP) including Chief Executive Officer, Chief Financial Officer, in addition to manager and company secretary.
10.	Chapter XXIV	Powers of directors : Article 190(v)	Specific powers of directors are amended to include carrying out CSR activities that are specified in Schedule VII of Companies Act, 2013.
11.	Chapter XXIV	Powers of directors : Article 190(138)	New Article is introduced to authorize the issue of securities (including depository receipts).
12.	Chapter XXVII	Indemnity and Insurance to Directors and Officers	Amended to provide for Indemnification and to Directors and Officers.
13.	Chapter XXIX	Notices and Services of Documents : Articles 200	Amended to align with the provisions of the Companies Act, 2013.
14.		General Powers	The statutory provisions of the act which permits a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner " unless the Articles otherwise provide" have been specifically included.

The proposed Articles are available for inspection by the members at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on working days. The proposed Articles are also uploaded on the Company's website www.cineline.co.in

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.7 of the accompanying Notice.

The Board recommends the Special Resolution at Item No.7 for approval by the members.

By Order of the Board
For **Cineline India Limited**
(Formerly known as Cinemax Properties Limited)

Place: Mumbai
Date: August 1, 2014

Jatin J. Shah
Company Secretary

Registered Office:
215 Atrium, 10th Floor,
Opp. Divine School,
J.B. Nagar, Andheri Kurla Road,
Andheri- East, Mumbai- 400093
CIN No: L92142MH2002PLC135964
Website: www.cineline.co.in
Email: investor@cineline.co.in
Tel No: 022-6726 6666
Fax No: 022-6693 7777

Annexure

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Particulars	Mr. Kranti Sinha	Mr. Utpal Sheth	Mr. Sivaramakrishnan Iyer
Date of Birth	28/12/1942	20/06/1971	28/01/1967
Date of Appointment	25/08/2006	29/10/2010	31/01/2013
Relationship with Directors	None	None	None
Qualification	Masters Degree in Arts	Commerce Graduate, Cost Accountant (Grad. CWA) and Chartered Financial Analyst from ICFAI. Gold Medalist in CFA, at an All India Level.	Commerce Graduate and Chartered Accountant.
Experience in Functional Area	<p>He was a Director and Chief executive of LIC Housing Finance Limited from August 1998 to December 2002 and the managing Director of LICHFL Care Homes Limited which is a wholly owned subsidiary LIC Housing Finance Limited from September 2001 to December 2002.</p> <p>His past assignments include being the Director of the Uniflex Cables Limited, LIC Mutual Fund AMC, member of the working group on construction of the planning Commission for the 10th Plan, President of the Forum of the Housing Finance Companies, Deputy President of the Governing Council of the National Insurance Academy, Pune and the member of the Governing Council of the Construction Industry.</p>	<p>He started his professional career as an analyst at erstwhile ASK Financial Consultants and went on to be the Head of Research there. Following a career spanning Research to Portfolio Management and Investment Banking.</p> <p>He is a Chief Executive Officer at Rare Enterprises and is responsible for Investment Management, Risk Management and Institutionalization. He has been a faculty member at the BSE Training Institute, UTI Institute of Capital Market, National Institute of Financial Management, IIS Institute of Management (a JV with ENPC, France) and other such organizations.</p>	<p>He worked with J.M. Finance & Investment Consultancy from 1990 to 1991. He started independent practice as Chartered Accountant in the year 1991. He has over 18 years of experience in Accounts and Finance.</p> <p>He is a partner of Patel, Rajeev, Siva & Associates, which specializes in corporate finance and advises companies on debt/equity fund raising, mergers/amalgamations and capital structuring for new/ expansion projects, and has been associated with them since 1998.</p>
Directorship in other Companies (Public Limited Companies)	India Infoline Housing Finance Limited, Hindustan Motors Limited and HM Export Limited	Aptech Limited, Concord Biotech Limited, Metro Shoes Ltd. and NCC Limited.	Praj Industries Limited, The Phoenix Mills Limited, Edelweiss Trustee Services Limited, Man Infraconstruction Limited and Praj HiPurity Systems Limited.
Membership/ Chairmanship of Board Committees of other Companies (Includes only Audit Committee and Shareholders/Investor Grievance Committee)	India Infoline Housing Finance Limited - Audit Committee - Member, Investor Grievance & Share Transfer Committee - Chairman, Hindustan Motor Ltd- Audit Committee -Member, Investor Grievance & Share Transfer Committee- Member	Nil	Man Infraconstruction Limited - Audit committee & Investor Grievance Committee - Chairman, Phoenix Mills Limited - Audit Committee - Chairman, Praj Industries Limited - Audit Committee - Member, Investor Grievance Committee - Chairman
No. of shares held in the Company	NI	Nil	Nil

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CINELINE INDIA LIMITED

(Formerly known as Cinemax Properties Limited)

Corporate Identity Number (CIN): L92142MH2002PLC135964

REGISTERED OFFICE: 215, Atrium, 10th floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road,
Andheri- East, Mumbai: 400 093. Tel: 91-22-6726 6666 Fax: 91-22-6693 7777

Email Id: investor@cineline.co.in Website: www.cineline.co.in

ATTENDANCE SLIP

Venue of the meeting : Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road,
Andheri (East), Mumbai – 400093.

Date & Time : Wednesday, September 17, 2014 at 10.00 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP ID*	
Client ID*	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the Twelfth Annual General Meeting of the Company held on September 17, 2014 at 10.00 A.M.
at Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri (East), Mumbai – 400093.

*Applicable for shareholders holding shares in electronic form

Signature of Member / Proxy

Note:

1. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2014 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.

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FORM OF PROXY

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

Venue of the meeting : Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri (East), Mumbai – 400093.

Date & Time : Wednesday, September 17, 2014 at 10.00 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	:	
Registered Address	:	
Email ID	:	
DP ID*	:	
Client ID*	:	
Folio No.	:	

*Applicable for investors holding shares in Electronic form.

I/We _____ of _____ being a member/members of Cineline India Limited hereby appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company to be held on September 17, 2014 at 10.00 A.M. and at any adjournment thereof) in respect of such resolutions as are indicated below;

1. Mr./Mrs. _____ (Name & Signature of the Proxy) or failing him/her Registered address _____
Email Id _____ Signature _____
2. Mr./Mrs. _____ (Name & Signature of the Proxy) or failing him/her Registered address _____
Email Id _____ Signature _____
3. Mr./Mrs. _____ (Name & Signature of the Proxy) or failing him/her Registered address _____
Email Id _____ Signature _____

** I/We direct my/our Proxy to vote on the Resolutions in the manner indicated below:

Item No.	Resolution	Pattern of Voting		
		No. of Shares held	FOR	AGAINST
	Ordinary Business			
1.	To consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mr. Sanjay Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To appoint Walker, Chandiok & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.			
	Special Business			
4.	Appointment of Mr. Kranti Sinha as an Independent Director.			
5.	Appointment of Mr. Utpal Sheth as an Independent Director.			
6.	Appointment of Mr. Sivaramakrishnan Iyer as an Independent Director.			
7.	Adoption of new set of Articles of Association.			

** This is optional. Please put a tick mark (✓) in the appropriate column against the resolution indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature(s) of Member(s)

1. _____
2. _____
3. _____

Affix One
Rupee
Revenue
Stamp

Signed thisday of2014

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the Company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the numbers of shares under the columns "For" or "Against" as appropriate.

CINELINE INDIA LIMITED

STEADY. STABLE. STRONG.

ANNUAL REPORT 2013-14



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STEADY. STABLE. STRONG.

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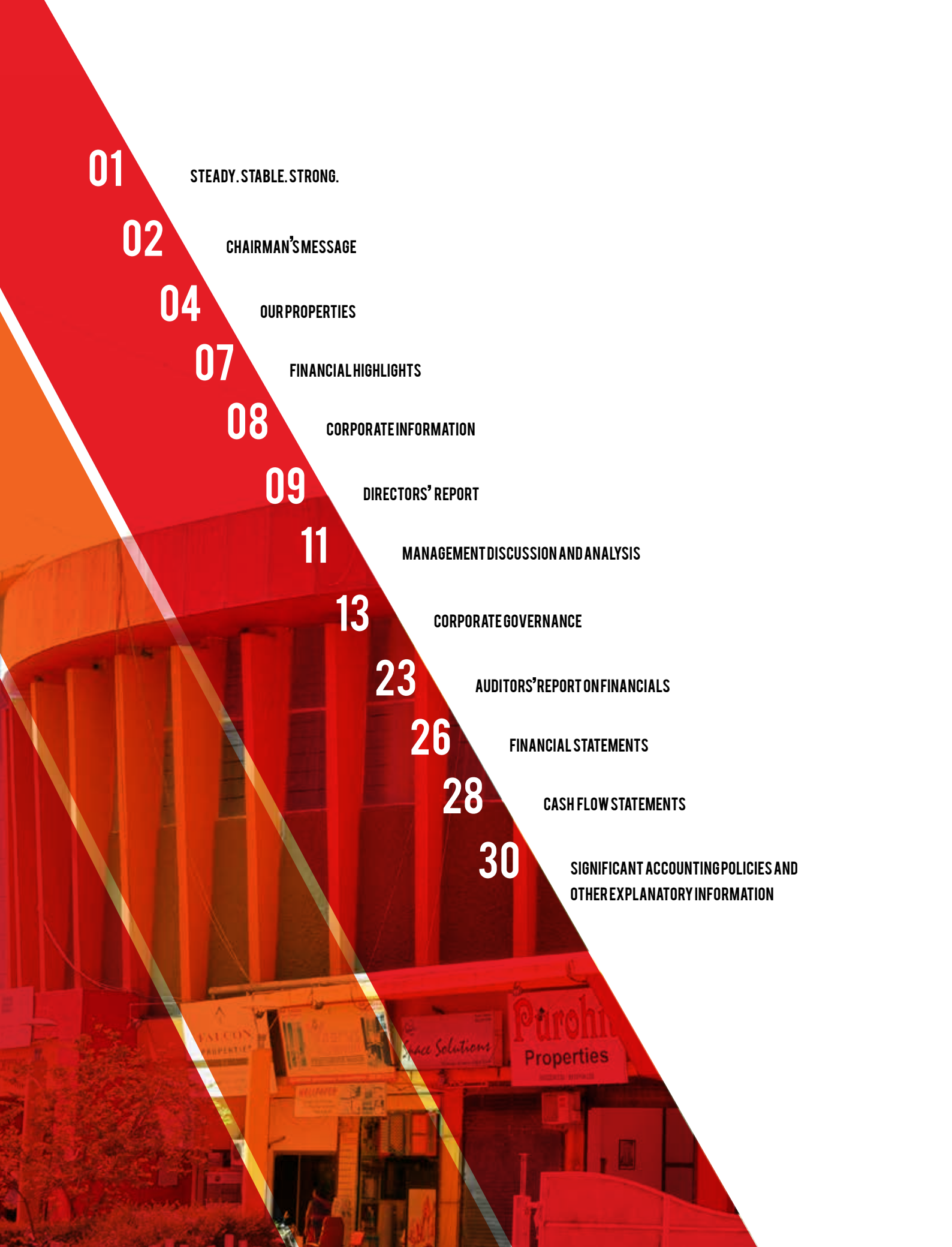
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STEADY. STABLE. STRONG.

At Cineline, these three individual words combine to create a powerful and profound statement about us. Each word has been carefully and thoughtfully chosen to depict, describe and demonstrate a distinct and diverse aspect about us.

In a year of stiff headwinds and difficult operating conditions which affected all industries across segments and sizes, at Cineline, we continued with **STEADY PROGRESS.**

In a year of tough challenges and obstacles which adversely affected the commercial real estate sector all across cities and towns, at Cineline, we continued with **STABLE PERFORMANCE.**

In a year of dampened growth and subdued expansion which impacted future outlook of even large players and multinationals, at Cineline, we continued with **STRONG POTENTIAL.**

What makes CINELINE STEADY, STABLE, STRONG?

Our deep understanding of the commercial real-estate space that ensures we invest in right projects in the right location at the right time.

Our focused strategy that ensures we consolidate and concentrate in western part of the country.

Our established agreements with the largest multiplex operator in the country that ensures secured revenues.

Our attitude and approach, our plans and policies, our drive and direction make us Steady. Stable. Strong.

CHAIRMAN'S MESSAGE TO SHAREHOLDERS

Dear Shareholders,

After last few years of restrained demand and stiff macro headwinds, it seems India is back on track for revival and resurgence.

Welcome to the Twelfth Annual General Meeting of Cinline India Limited amidst an atmosphere and environment of optimism and positivity. The overwhelming mandate given to a single party in the last general elections has restored confidence with the new government focused on re-invigorating the infrastructure and real estate sectors. The union budget of 2014-15 reflected the government's intent with measures and policies announced that have already provided the boost to both these sectors.

At Cinline, from our all business activities, Commercial real estate has always been our core strength and competence – we were amongst the first real estate developers in western India. As the Indian growth story gathered momentum, we matched pace by developing commercial real estate aimed to capitalise on the booming consumer upturn fired by the burgeoning middle-class.

Today, we have one of the most STEADY and STABLE business models based on assured rentals from the multiplexes as well as from the hugely successful mall at Nagpur. We have 9 multiplexes that are on long-term lease agreements. In addition, we also own and operate the 180,000 sq. ft. Eternity Mall at Nagpur with 38



The year 2013-14 was another year when the Company achieved notable results :

Total Revenue from Operations for the year was ₹ 2,271 lacs

EBITDA for the year was ₹ 1,604 lacs

PBT and PAT for the year were ₹ 462 lacs and ₹ 311 lacs respectively

tenants ranging from top international brands to leading domestic brands. Our revenues from the mall also include income from advertisements and CAM (common area maintenance).

The Company also have a presence in the energy business. We operate two windmills in Revangaon (Maharashtra) and Visawada (Gujarat), with a capacity of 1.65 MW and 0.60 MW respectively. During the year, revenues from sale of power contributed about 7 per cent of the total revenues.

As I look ahead, I see an exciting phase ahead – both for the economy in general as well as the real-estate sector in particular. Policy announcements made by the new government have already started an upturn in the sector. Confidence has returned – both with investors as well as consumers. Vital macro-economic parameters have shown positive improvements, indicating that the worse is behind us. At Cineline, these factor augur well for us. Our business model of owning and renting commercial properties has already proven to be a successful one, ensuring our performance is STEADY and STABLE. As the economy revives, we are positioned to build up and ahead, and realise the STRONG potential of Cineline.

I thank you all for your sustained faith and trust in Cineline, assure you we will continue with our performance that reflects our corporate character and personality :

STEADY. STABLE. STRONG.

Yours faithfully,



Rasesh Kanakia
Chairman

OUR PROPERTIES



Goregaon (West)



Cineline, Nashik



Eternity Mall, Thane



Sona Shopping Centre, Kandivali (West)



Eternity Mall, Nagpur



Prime Mall, Mira Road



Wonder Mall, Thane



Cineline, Sion



Eagle's Flight, Andheri (East)

Events Organised at Eternity Mall, Nagpur



FINANCIAL HIGHLIGHTS

2013-14

(₹ in Lacs)

For the year ended 31st March	2013-14	2012-13
Total Income	2,270.98	1,899.56
Total Expenditure	1808.95	1,309.44
EBDITA	1,604.26	1,344.29
Depriciation	481.14	416.00
Interest & Financial Charges	661.09	338.17
Profit Before TAX (PBT)	462.03	590.12
Tax Expense	151.45	149.12
Profit After TAX (PAT)	310.58	441.00
Share Capital	1,400.00	1,400.00
Reserve and Surplus	5,979.32	5,668.74
Total Debt	6,042.45	3,137.49
Gross Block	1,2971.75	12,948.52
Net Block	9,943.23	10,401.14
Current Assets	3,657.89	276.18
Current Liabilities	3,657.89	1,368.09
Cash & Cash Equivalents	140.73	166.64
No. of Equity Shares	28,000,000	28,000,000
Earning Per Share (In ₹) = Basic & Diluted	1.11	1.37

CORPORATE INFORMATION

Board of Directors

Mr. Rasesh B. Kanakia, Chairman
Mr. Himanshu B. Kanakia, Managing Director
Mr. Sanjay Sanghavi, Director
Mr. Kranti Sinha, Independent Director
Mr. Utpal Sheth, Independent Director
Mr. Sivaramakrishnan Iyer, Independent Director

Senior Management

Mrs. Hiral Kanakia
Mr. Jitendra Mehta, Group Chief Financial Officer
Mrs. Manisha Vora, Senior GM-Finance & Accounts

Company Secretary & Compliance Officer

Mr. Jatin J. Shah

Statutory Auditors

Walker, Chandiok & Co. LLP
Chartered Accountants,
Engineering Centre, 6th Floor,
9 Mathew Road, Opera House,
Mumbai – 400 004.

Internal Auditors

A. J. Kanakia & Co.,
Chartered Accountant,
1, Alankar Building, Sion (w),
Mumbai - 400 022.

Registrars & Share Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.

Registered Office

215 Atrium, 10th Floor, Opp. Divine School,
Andheri Kurla Road, Andheri- East,
Mumbai - 400 093.
Tel No.: 022- 6726 6666 / 7777
Fax No.: 022- 6693 7777
Website: www.cineline.co.in

Banker

Axis Bank Ltd.

DIRECTORS' REPORT

To,
The Members,
Cineline India Limited
(Formerly known as Cinemax Properties Limited)

Dear Shareholders,

Your Directors are pleased to present the Twelfth Annual Report, to the members, on the business and operations of your Company together with Audited Accounts for the financial year ended March 31, 2014.

I. FINANCIAL OVERVIEW

The financial results for the year ended March 31, 2014 are as follows:

	(₹ In Lacs)	
For the year ended March 31	2014	2013
Gross Income	2270.98	1899.56
Profit before Interest, Depreciation and tax	1604.26	1344.92
Interest & Financial Charges	661.09	338.17
Depreciation/ Amortisation	481.14	416.00
Profit/(loss) before exceptional items and taxes	462.03	590.12
Exceptional Items/ Extraordinary Items	0.00	56.63
Profit/(loss) before tax	462.03	533.49
Provision for Tax (including Deferred & Fringe Benefit Tax)	151.45	149.12
Profit/(loss) after Tax	310.58	384.37
Profit brought forward from previous year	2032.36	1647.99
Amount available for Appropriation	2342.94	2032.36

REVIEW OF FINANCIALS

During the year under review, the Gross Income increased from Rs. 1899.56 Lacs to Rs. 2270.98 Lacs.

The Profit before Interest, Depreciation and Tax (PBITD) during the year is Rs. 1604.26 Lacs.

Profit after tax for the year under review stood at Rs. 310.58 Lacs.

II. DIVIDEND

With a view to conserve the resources for future operations, your directors have thought it prudent not to recommend dividend on equity shares for the financial year 2013-14.

III. HUMAN CAPITAL

Your Company recognises that "Human Capital" is its principal asset and values it highly. Human capital has been one of the key pillars of the Company's success. The Company has been able to attract, grow and retain some of the best talent in the industry. Your Company is professionally managed with key management personnel having relatively long tenure with the

Company. The Company encourages and facilitates long term career through carefully designed management development and performance management systems.

IV. INFORMATION TECHNOLOGY

The existing system will be able to cater to your Company's future growth at reasonable incremental costs. The modular nature of the system supports efficiency in operations coupled with strong systems and operational controls. The system is robust to cater to efficient customer service and support marketing initiatives.

V. COMMUNICATION AND PUBLIC RELATIONS

Your Company has, on a continuous basis, endeavored to increase awareness among its Shareholders and in the market place about the Company's strategy, new developments and financial performance. Financial results, important developments and achievements are regularly released to the press, media and uploaded on our website.

Parallely, internal communication and brand building within the organization is being given further impetus.

VI. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report covering a wide range of issues relating to Performance, outlook etc., is annexed as Annexure-A to this report.

VII. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of the Corporate Governance. The detailed report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms Annexure-B to this report.

The Statutory Auditors of your Company have examined the Company's compliance and have certified the same as required under the listing agreement. The certificate is reproduced as Annexure-C to this report.

VIII. CHAIRMAN AND CHIEF FINANCIAL OFFICER CERTIFICATION

Chairman and Chief Financial Officer Certification as required under clause 49 of the Listing Agreement, and Chairman's Declaration about code of conduct are furnished in Annexure-D to this report.

IX. AUDITORS

The auditors M/s. Walker Chandiok & Co. LLP (Formerly known as Walker Chandiok & Co.), Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept office, if re-appointed.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Walker Chandiok & Co. LLP as statutory auditors of the Company from the conclusion of this AGM till the conclusion of the Sixteenth AGM of the

Company to be held in the year 2018 (subject to ratification of their appointment of every AGM).

During the year, the Company had received intimation from M/s. Walker Chandio & Co. LLP stating that M/s. Walker Chandio & Co. LLP had been converted into a limited liability partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from March 25, 2014. In terms of Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of Chartered Accountants, being an auditor in a Company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said Company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by M/s. Walker Chandio & Co. LLP.

X. STATUTORY INFORMATION

A) Employees Particulars

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regards to the provision of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

B) Fixed Deposits

Your Company has not accepted any fixed deposits from the public and, as such, no amount of principal or interest was outstanding as on the Balance sheet date.

C) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information required to be provided under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of the Board of Directors) Rules, 1988 in relation to Conservation of Energy, Technology Absorption and Research and Development are currently not applicable to the Company.

The Company has made foreign exchange outgo towards traveling and marketing amounting to Rs. Nil and import of Capital Goods amounting to Rs. Nil (Corresponding figures for previous year are Rs. Nil and Rs. Nil Lacs respectively).

XI. DIRECTORS

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Kranti Sinha, Mr. Utpal Sheth, and Mr. Sivaramakrishnan Iyer as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors.

In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Sanjay Sanghvi, Director, retires by rotation and being eligible has offered himself for re-appointment.

XII. IMPLEMENTATION OF CIRCULAR ISSUED BY MINISTRY OF CORPORATE AFFAIRS ON "GREEN INITIATIVE ON CORPORATE GOVERNANCE"

The Company has implemented the "Green Initiative" as per Circular No. 17/2011 dated April, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs to enable electronic delivery of notices / documents and annual reports to shareholders giving consent for the same.

XIII. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors, based on the information and documents made available to them, confirm that:

- i) In the preparation of annual accounts for year ending 31st March 2014, the applicable accounting standards have been followed. There are no material departures in the adoption and application of the accounting standards.
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that year;
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) They have prepared the annual accounts on "going concern" basis.

ACKNOWLEDGMENTS

Your Board takes this opportunity to thank the Licensee, vendors, business partners, shareholders and bankers for the faith reposed in the Company and also thank the Government of India, various regulatory authorities and agencies for their support and looks forward to their continued encouragement. Your Directors are deeply touched by the efforts, sincerity and loyalty displayed by the employees without whom the growth was unattainable. You Directors wish to thank the investors and shareholders for placing immense faith in them and the plans designed for growth of your Company. Your Directors seek and look forward to the same support in future and hope that they can continue to satisfy you in the years to come.

**For and on behalf
of the Board of Directors**

Place: Mumbai
Date : May 26, 2014

Rasesh B. Kanakia
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE-A TO DIRECTORS' REPORT

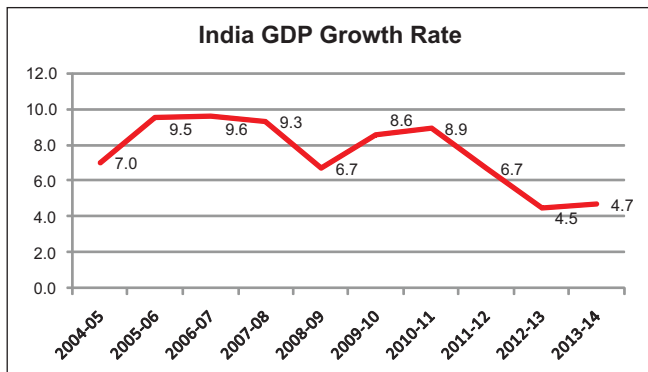
ECONOMIC OVERVIEW

Growth continued to pose a challenge in most developed economies of the world. The World Economic Outlook published in April 2014 by the International Monetary Fund has reported that the world output grew by 3.0 per cent in 2013 compared to 3.2 per cent in 2012. Growth remained subdued in the USA, the Euro zone as well as in the emerging economies.

In the USA, GDP growth was 1.9 per cent in the year 2013, compared to a more vibrant growth rate of 2.8 per cent in the previous year. This slowdown has been attributed to the political gridlocks prevailing during most part of the year. In the euro-area, growth turned positive in 2013 as the area's output for the year improved from -0.7 per cent in 2012 to -0.5 per cent.

In the emerging economies, China maintained its momentum of growth with a 7.7 per cent increase in GDP in 2013, which is equal to the GDP growth it achieved in the previous year. However, being a strong export dominated economy, the falling demand from the advanced countries continues to put growth in China under pressure.

In India, the two key domestic issues of sustained high-inflation and an alarming current account deficit forced the central bank to keep interest rates high throughout the year. These two issues had a cascading effect on all major economic drivers, which resulted in overall slackness in consumer and industrial demand. To compound issues, the Indian rupee collapsed to its lowest in the month of August 2013 at Rs. 68.85 to the US dollar. On the policy front, not many major policies could be pushed through, disappointing the industry further. However, in spite of these adverse factors, the Indian economy managed to show a marginal increase in GDP to 4.7 per cent for the year 2013-14 against 4.5 per cent in the year 2012-13.



According to the report released by the World Bank in April 2014, India overtook Japan as the third largest economy in terms of GDP in a Purchasing Power Parity basis.

Industry Overview

Real Estate

Real estate constitutes a critical segment of the Indian

economy. It is estimated that the contribution of the real estate sector to India's GDP was about 6.3 per cent. The real estate sector is also important to the economy due to its high employment potential. It is estimated that the real estate sector generated almost 7.6 million jobs in 2013-14, and is expected to generate more than 17 million job opportunities by the 2025 (source : Report on assessing the economic impact of India's real estate sector – 2013 by Confederation of Real Estate Developers' Association of India).

The real estate sector continued to face challenging operating environment during 2013. Due to a slowdown in the overall economy, demand has been shrinking, leading to a slowdown in sales. On the other hand, in order to complete projects, most companies had to resort of high debt levels. Costs continued to rise driven by high interest rates as well as increase in prices of raw materials and labour costs.

Residential Sector Overview

All residential markets in India witnessed a fall in sales of residential property, particularly in NCR, Mumbai and Bengaluru markets. While projects launched in 2012 and prior continued to add to the supply pipeline, lack of demand meant resulted in a situation of over-supply. Capital markets in NCR corrected between 5-10 per cent, while they stabilised in South and Central Mumbai, and increased marginally in Navi Mumbai, Western and Eastern suburbs. In major cities, approximately 130 million sq.ft. of investment grade residential space was witnessed, of which approximately 70 million sq. ft. was launched in NCR, Mumbai, Bengaluru, Hyderabad, Chennai and Kolkata.

Commercial Sector Overview

Compared to the residential segment, inventory in the commercial segment has been falling over the last couple of years due to low development activity. In 2013, due to stiff macro conditions faced by all industries, absorption continued to remain low as most corporates chose to defer their expansion plans. Mumbai, NCR and Bengaluru account for a lion's share in all commercial space being absorbed in the country at 75 per cent. Prime office spaces in the Central Business Districts (CBDs) in these cities continued to remain in demand, and as result, their values were not affected by the overall slowdown. However, in commercial spaces specifically developed for the IT sector, there was a marked slump in demand as hiring in IT remained low, and most occupiers focussed on consolidation and efficient use of available space. On the supply side, approximately 22 million sq.ft. of investment grade office space was added in major cities during the first half of 2013, while absorption was reported at 14 million sq. ft., stressing rental rates across these cities.

Retail Sector Overview

The retail sector proved to be most resilient to the difficult operating conditions in the real estate industry. This was largely on account of expansion by both domestic and international retailers, buoyed by FDI increase in single-brand retail. Besides the major metros, retailers have also expanded into non-metro cities. Fashion, Food & Beverages (F&B) and

fine-dining are leading this expansion. In the leading cities of India, supply of Grade A malls is approximately 55 million sq.ft. An additional 20-25 million sq.ft. of hypermarket space has also come up. Vacancy levels across major cities of the country have declined in the year, driven by stable leasing activity and a slowdown in completion of new malls. In Bengaluru and Mumbai, vacancy levels are approximately between 8-9 per cent due to sustained demand as well as non-addition of large retail spaces in the last two years. Retail malls in good locations with a good tenant mix across floors continued to perform well and attract high footfalls. Mega-malls have also been launched across cities with multiple options for shopping, entertainment and food. These locations have witnessed higher footfalls and better conversions.

(Source : Brave new world for India real estate : Ernst & Young)

Business Overview

Cineline India Limited is listed on the Bombay Stock Exchange Limited and National Stock Exchange. Headquartered in the financial capital of India, Mumbai, the Company has nine properties. These projects of the Company are located in western India, primarily in Mumbai. In the retail segment, the Company owns a commercial retail mall in the city of Nagpur. Cineline India Limited also has two windmills located in Maharashtra and Gujarat.

The Company currently owns 9 multiplexes that are leased out to PVR Limited on a rental basis. The commercial retail mall at Nagpur – Eternity Mall is located in the prime Variety Square. The mall is leased out to top domestic and international retailers. In addition to rental income, the Company also generates income in the form of car-parking charges as well as advertising revenues from the mall.

These 9 commercial properties of the Company ensure a steady and stable flow of revenues in the form of rental income.

The Company's two windmills are at Viswada in Gujarat and Revangaon in Maharashtra. The capacities of these windmills are 0.6 MWA and 1.65 MWA respectively. Sale of power generated by these windmills also contributes to the total revenue.

Review of Financial Performance

During the year 2013-14, the total revenue from operations amounted to Rs. 2271 lacs. EBIDTA for the year was Rs. 1604 lacs and PAT for the year was Rs. 462 lacs.

Opportunities and Outlook

After being subjected to stiff operating environment, the outlook for the real estate sector for the year 2014-15 is positive and optimistic. The election of a stable government at the centre has come as a major boost for the economy in general and the real estate sector in particular. There is a marked resurgence in demand across all segments of the sector : residential, commercial as well as retails. Stalled and delayed projects are being completed with a new sense of urgency. In the Union Budget, incentives have been announced for REIT, which are expected to boost the sector further, particularly the commercial segment of the market. In the retail segment, easing of norms in FDI in multi-brand retail is expected to attract more global retailers. Moreover, the government also has plans to allow foreign retailers to set up

shops within cities with a population of less than 1 million. Projects more than US\$ 130 million have been cleared by the Foreign Investment Proposal Board (FIPB) in the last 6-7 months, which are likely to drive more growth in the sector.

(Source : Brave new world for India real estate : Ernst & Young)

Risks and Concerns

Economic Risks

The key revenues of the Company emanate in the form of rental income from the nine multiplexes and the retail mall at Nagpur. There is a theoretical risk that in case businesses of the tenants/lessees do not well, they may move out, and thus affect the revenues of the Company. However, the properties of the Company are in prime locations and as has been borne out over the year, prime locations are always in demand as they attract higher footfalls. Therefore, the Company believes that this risk is more than mitigated by the fact that the locations of the properties of the Company are proven success locations.

Material Developments in Human Resources

The Company has always believed that its employees are its most valuable resources. The Company ensures that working conditions at all its workplaces meet highest standards of safety. The Company conducts regular training and workshops to ensure the skills and talents of its employees are at par with the best in the industry. Employees are encouraged to undertake self-improvement courses that will contribute both to their personal as well as professional development. There is a rich diversity in the workforce of the Company, with a strong emphasis on gender equality. The Company maintained cordial relations with its employees during the year.

The total number of employees as on 31 March, 2014 was 26.

Internal Control Systems

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. The management continuously reviews the internal control systems and procedures to ensure the efficient conduct of business. An Audit Committee of the Board oversees the internal controls within the organisation.

Cautionary Statement

Statements in this Report on "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may have "forward looking statements" within the meaning of applicable securities laws and regulations. Actual performance may differ substantially and materially from those expressed or implied. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward looking statements.

CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the report containing the details of governance system and processes at Cinline India Limited is furnished herewith:

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"Corporate governance is about maintaining an appropriate balance of accountability between three key players: the corporation's owners, the directors whom the owners elect, and the managers whom the directors select. Accountability requires not only good transparency, but also an effective means to take action for poor performance or bad decisions."

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

We believe that sound corporate governance is critical to enhancing and retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

1. Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
2. Be transparent and maintain a high degree of disclosure levels.
3. Make a clear distinction between personal conveniences and corporate resources.
4. Communicate externally, in a truthful manner, about how the Company is run internally.
5. Have a simple and transparent corporate structure driven solely by business needs.

The Company, through its Corporate Governance envisages an attainment of transparency, accountability,

integrity and propriety in total functioning of the Company and conduct of business, both internally and externally. The Company defines Corporate Governance as a set of guidelines that are followed by the Board of Directors and the Management of the Company.

II. BOARD OF DIRECTORS

Composition and category of Directors

The Board of Directors of your company comprises of Six (6) Directors as on March 31, 2014 representing the optimum combination of professionalism, knowledge and experience. Of these six members, three of them are non independent directors out of which, first two are forming part of the promoters group of the Company and other three are independent non-executive directors.

Name of Director	Designation	Category	
		Executive/ Non-Executive	Independent/ Non-Independent
Mr. Rasesh Kanakia	Chairman	Executive	Non - Independent
Mr. Himanshu Kanakia	Managing Director	Executive	Non - Independent
Mr. Sanjay Sanghvi	Director	Non - Executive	Non - Independent
Mr. Utpal Sheth	Director	Non - Executive	Independent
Mr. Kranti Sinha	Director	Non - Executive	Independent
Mr. Sivarama-krishnan Iyer	Director	Non - Executive	Independent

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they qualify the conditions of their being independent as laid down under Clause 49 of the listing agreement.

Board Meetings

Board meetings are normally held at the Registered Office of the Company. The dates of Board meetings are fixed well in advance and intimated to the Board Members so as to enable them to plan accordingly.

The Board is responsible for the management of the business and meets regularly for discharging its role and functions. The members of the Board have complete freedom to express their views and all the decisions are taken on the basis of a consensus arrived at after detailed discussion on each item of the agenda. The functions, roles and responsibilities of the Board are clearly defined. All the departments in the Company communicate to the Company Secretary, the matters requiring approval of the Board / Committees of the Boards to enable him to include the same in the agenda for the Board / Committee meeting(s).

Details of Board Meetings held and the dates on which held during the financial year 2013-14.

Name of Directors	Rasesh Kanakia	Himanshu Kanakia	Sanjay Sanghvi	Utpal Sheth	Kranti Sinha	Sivarama krishnan Iyer
Designation	Executive Chairman	Managing Director	Non-Executive Director	Independent Directors		
Date of Board Meeting						
May 29, 2013	P	P	P	P	P	A
August 7, 2013	A	P	P	A	P	P
October 22, 2013	P	P	P	A	P	P
January 30, 2014	A	P	P	P	P	P

P - Present A - Leave of Absence

The time gap between any two meetings did not exceed four months. The information as prescribed under clause 49 of the Listing Agreement was placed before the Board from time to time, as required.

Details of Attendance of Directors at Last Annual General Meeting (AGM)

Sr. No	Name of Director	Last AGM attended
1	Mr. Rasesh Kanakia	Yes
2	Mr. Himanshu Kanakia	Yes
3	Mr. Kranti Sinha	Yes
4	Mr. Sivaramakrishnan Iyer	No
5	Mr. Utpal Sheth	No
6	Mr. Sanjay Sanghvi	Yes

Details of Directorships and Membership / Chairmanship of each Director (including CINELINE):

Sr. No	Name of the Director	No. of Directorships*	Board Committees**	Chairman ships of Board Committees**
1	Mr. Rasesh B. Kanakia	1	2	Nil
2	Mr. Himanshu B. Kanakia	1	1	Nil
3	Mr. Sanjay Sanghvi	1	Nil	Nil
4	Mr. Utpal Sheth	5	1	Nil
5	Mr. Kranti Sinha	5	3	3
6	Mr. Sivaramakrishnan Iyer	6	3	4

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Private Limited Companies and Companies incorporated Under Section 25 of the Companies Act, 1956.

** In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only Audit Committees

and Investor Grievance / Shareholders Committee of all Public limited Companies (including Cineline India Limited) have been considered.

III Board of Committees

• Audit Committee

Composition:

The Audit Committee presently comprises of four members namely, Mr. Kranti Sinha- Chairman, Mr. Sivaramakrishnan Iyer, Mr. Utpal Sheth and Mr. Rasesh Kanakia of which first three are independent directors. All of them have financial and accounting Knowledge. The composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Managing Director, the Chief Financial Officer, Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

Objective:

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting processes of the Company, the audit of the Company's Financial Statements, the appointment, independence and performance of the statutory and internal auditors and the Company's risk management policies.

Meetings:

Four meetings of the Audit Committee were held during the financial year 2013-14.

Attendance of each Member at the Audit Committee Meetings held during the year

Name of Committee Member	Designation	No. of Meeting Held	No. of Meeting Attended
Mr. Kranti Sinha	Chairman, Independent Director	4	4
Mr. Rasesh Kanakia	Member, Executive Director	4	2
Mr. Utpal Sheth	Member, Independent Director	4	2
Mr. Sivaramakrishnan Iyer	Member, Independent Director	4	3

The Chairman of the Audit Committee was present at the last Annual General Meeting.



Terms of References:

The term of references / powers of the Audit Committee are as under:

A. Powers of the Committee

The Committee has vested with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Other powers as may be mandated by any Law for time being force or as per Listing Agreement.

B. Functions of Committee.

The Committee shall function primarily in the following roles:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. Approval of the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
13. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

• Shareholders' / Investors' Grievance Committee

Composition:

The Shareholders' / Investors' Grievance Committee of the Board, comprises of three members namely Mr. Kranti Sinha, Mr. Rasesh Kanakia and Mr. Himanshu Kanakia out of which Mr. Kranti Sinha is the Chairman and an independent non-executive director.

Objectives:

The objective of the Shareholders Grievance Committee is to review and address the grievances of the Shareholders in respect of share transfers, transmissions, non-receipt of annual report, non-receipt of declared dividend etc., and other related activities. The Committee oversees performance of the Registrar and

Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Meetings:

Two meetings of the Investor Grievance Committee were held during the financial year 2013-14.

Attendance of each Member at the Investors' Grievance Committee held during the year:

Name of Committee Member	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Kranti Sinha	Chairman, Independent Director	2	2
Mr. Rasesh Kanakia	Member, Executive Director	2	2
Mr. Himanshu Kanakia	Member, Executive Director	2	2

Investor Grievance Redressal

Number of Complaints received and resolved to the satisfaction of Investors during the year under review and their break-up are as under:-

Nature of Complaints	Received	Resolved
Non-Receipt of Annual reports	1	1
Non-Receipt of Dividend	9	9
Miscellaneous	Nil	Nil
Total	10	10

There were no outstanding complaints as on March 31, 2014.

Company Secretary and Compliance Officer

Name of the Company Secretary and the Compliance Officer	Mr. Jatin J. Shah
Address	215 Atrium, 10 th Floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai- 4000 93
E-mail	Jatin.shah@cineline.co.in
Contact No.	+91 22 6726 7777
Fax	+91 22 6693 7777

• Remuneration Committee and Directors Remuneration

Composition

The remuneration of the Executive Director is decided by the Remuneration Committee based on criteria such as Industry Benchmarks, the Company's performance vis-à-vis industry, performance/track record of the Executive Director and is reported to the Board of Directors. Remuneration comprises a fixed component viz. Salary and Perquisites.

The Remuneration Committee presently comprises of three Independent Directors, namely, Mr. Kranti Sinha, Mr. Utpal Sheth and Mr. Shivaramakrishnan Iyer.

Objectives:

The Remuneration Committee has been constituted to recommend / review remuneration of the Executive Director, based on their performance and defined assessment criteria.

Meetings:

One meeting of the Remuneration Committee was held during the financial year 2013-14.

Attendance of each Member at the Remuneration Committee held during the year:

Name of Committee Member	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Kranti Sinha	Chairman, Independent Director	1	1
Mr. Utpal Sheth Kanakia	Member, Independent Director	1	Nil
Mr. Sivarama krishnan Iyer	Member, Independent Director	1	1

• Remuneration Policy:

Cineline's remuneration policy is based on three **Ps**: **Pay** for responsibility, **Pay** for performance and potential and **Pay** for growth. The Company's Remuneration policy is in consonance with the existing Industry practice. The Committee is vested with all necessary powers to ensure appropriate disclosures on the remuneration comprising of fixed components viz. Salary and Perquisites of Executive Directors and to deal with all elements of remuneration package of all such Directors.

Details of Remuneration to Directors during the financial year 2013-14:

Name of the Director	Sitting Fees for Board & Committees Meeting	Salary & Perquisites (including PF, etc.)
Executive Director		
Mr. Rasesh Kanakia	N.A.	6,25,000
Mr. Himanshu Kanakia	N.A.	6,25,000
Non Executive Director		
Mr. Sanjay Sanghvi, Non-Independent Director	N.A.	N.A.
Mr. Kranti Sinha, Independent Director	90,000	N.A.
Mr. Sivaramakrishnan S. Iyer, Independent Director	70,000	N.A.
Mr. Utpal Sheth, Independent Director	40,000	N.A.

VI. OTHER DISCLOSURES.

● **Related Party Transactions**

The company follows the following policy in disclosing the related party transactions to the Audit Committee:

- A statement in summary form of transactions with related parties in the ordinary course of business is placed before the Audit Committee.
- Details of material individual transactions with related parties which are not in the normal course of business is placed before the Audit Committee.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis is placed before the Audit Committee, together with Management's justification for the same.

There were no transactions of a material nature with the directors or the management, the Company's subsidiaries or step down subsidiary or relatives of the directors during the financial year which could have potential conflict with the interest of the Company at large. Necessary disclosures in regard to the Transactions with related parties have been made in the Financial Statements under Notes to Accounts – "Related Party Transactions".

● **Financial Statements and Accounting Treatment**

The Company has followed all applicable Accounting Standards.

● **Risk Management**

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The risk policy of the Company, as noted by the Board, has been posted on the website of the Company – www.cineline.co.in.

● **Compliances**

There were no instances of non compliance by the Company on any matters related to the capital markets or penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three financial years.

The Company has informal whistle blower policy.

The Company has complied with mandatory requirements and has adopted some of the non-mandatory requirements as mentioned in clause 49 of the Listing Agreement like constitution of Remuneration Committee etc.

● **Management Discussion and Analysis**

The Management Discussion and Analysis report forms part of the Report of the Directors.

● **Code of Conduct**

The Company has adopted Code of Ethical Conduct as required. As required under Clause 49 of the Listing Agreement, the Chairman of the Company has given declaration to the effect that all the Directors and Senior Management personnel of the Company have given their affirmation of Compliance with the Code as on March 31, 2014.

The Code is available on the website of the Company. www.cineline.co.in

● **CEO /CFO Certification**

As required by Clause 49 of the Listing Agreement, the Certificate issued by the Chairman and CFO is forming part of this report.

● **Auditors' Certificate of Corporate Governance**

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an Annexure 'D' to Directors' Report.

● **Means of Communication**

The Company regularly intimates its financial results to the Stock Exchanges as soon as these are taken on record/approved.

These financial results are published in Free Press Journal (English) and NavShakti (Marathi Local) dailies having wide circulation. The results are also displayed on the website of the Company – www.cineline.co.in.

The official news releases and presentations made from time to time to investors and financial analysts at investors meets are also displayed on the Company's website. The quarterly results are not sent individually to the shareholders.

Details of past three years Annual General Meetings (AGM):

Year	Venue/Location	Day & Date	Time
2013	Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri(East), Mumbai-400093	Thursday, 19 September 2013	10.00 AM
2012	Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri(East), Mumbai-400093	Thursday, 23 August 2012	10.00 AM
2011	Cinemax Theatre, Eagle's Flight, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri(East), Mumbai-400093	Tuesday, 27 September 2011	10.00 AM

V. General Shareholders Information

• Next Annual General Meeting

Day & Date : Wednesday, September 17, 2014

Time : 10.00 AM

Venue : Cinemax Theatre,
Eagle's Flight, Behind
Gurunanak Petrol Pump,
Andheri Kurla Road,
Andheri(East),
Mumbai-400093

• Financial Calendar for 2014-2015 :

The Financial year of the company Tentative dates ends on every March 31.

- | | | |
|-----|--|--------------------------------|
| i) | Un-audited results for the quarter ended June 30, 2014 | - Second week of August 2014 |
| ii) | Un-audited results for the quarter/half Year ending September 30, 2014 | - Second week of November 2014 |

- | | | |
|------|---|--------------------------------|
| iii) | Un-audited results for the quarter and Nine months ending December 31, 2014 | - Second week of February 2014 |
| iv) | Audited results for the year ending March 31 2015 | - Last week of May 2015 |

• Book Closure date

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Twelfth Annual General Meeting in terms of Listing Agreement from September 11, 2014 to September 17, 2014 (both days inclusive).

• Listing

The Company's equity shares are listed at the following Stock Exchanges:

- National Stock Exchange, Mumbai (NSE)**
Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra East, Mumbai 400 051.
Ph: +91 22 26598100 Fax: +91 22 26598237
- The Stock Exchange, Mumbai (BSE)**
Phroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
Ph: +91 -22 22721233 Fax: +91 22-22723677
- Scrip Information**

Name of the Exchange	Trading Symbol/Code
National Stock Exchange, Mumbai (NSE)	CINELINE
The Stock Exchange, Mumbai (BSE)	532807
ISIN Demat	INE704H01022

- The Company has depository connectivity with NSDL & CDSL and has paid Annual Custody Fees for the financial year 2014-2015.
- The Company has paid Annual Listing Fees for all the above Stock Exchanges for the financial year 2014-2015.

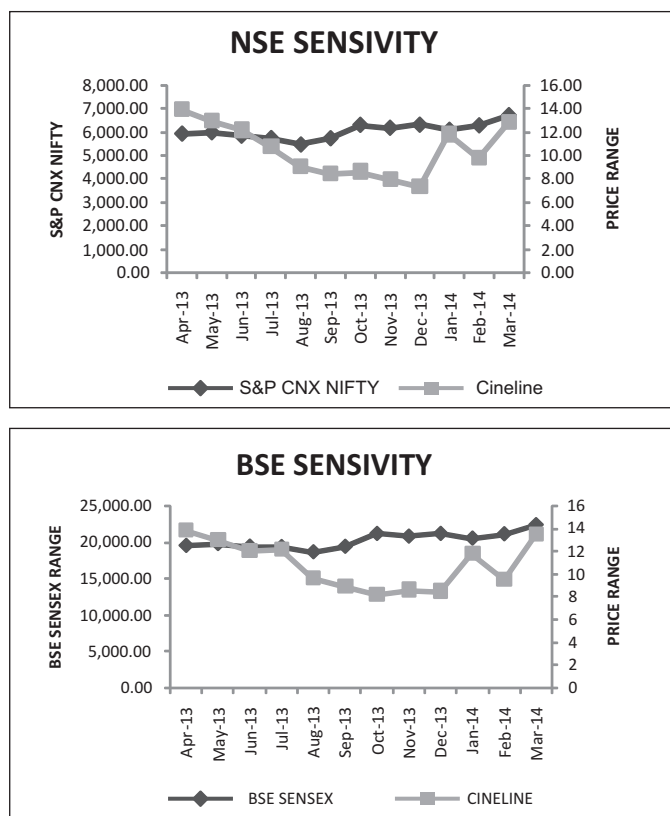


- Share Price & Volume (Tables/Graphs)

Month	BSE				NSE			
	Month's High (In Rs.)	Month's Low (In Rs.)	Volume (No. in Lacs)	Sensex	Month's High (In Rs.)	Month's Low (In Rs.)	Volume (No. in Lacs)	Nifty
Apr-13	13.79	10.55	1.27	19,504.18	13.90	10.40	2.21	5,930.20
May-13	13.00	11.03	0.81	19,760.30	12.95	11.10	1.34	5,985.95
Jun-13	11.98	9.71	0.67	19,395.81	12.15	8.20	1.47	5,842.20
Jul-13	12.10	7.75	0.38	19,345.70	10.75	8.00	0.46	5,742.00
Aug-13	9.59	6.50	0.4	18,619.72	9.00	6.15	0.14	5,471.80
Sep-13	8.85	6.61	0.36	19,379.77	8.40	6.80	0.12	5,735.30
Oct-13	8.19	6.99	0.54	21,164.52	8.60	7.00	0.21	6,299.15
Nov-13	8.59	6.80	0.48	20,791.93	7.90	6.40	0.11	6,176.10
Dec-13	8.47	6.33	0.63	21,170.68	7.35	6.25	0.14	6,304.00
Jan-14	11.80	7.75	0.97	20,513.85	11.80	7.15	0.78	6,089.50
Feb-14	9.49	7.40	0.44	21,120.12	9.75	7.60	0.34	6,276.95
Mar-14	13.45	7.85	3.36	22,386.27	12.80	7.75	2.46	6,704.20
Total:			10.31		Total:		9.78	

- SHARE PRICE MOVEMENT (NSE) & (BSE)

CINELINE share price performance relative to S&P CNX NIFTY and BSE. (April '13-March'14):



- Shareholding Pattern as on March 31, 2014**

Sr. No.	Category	Holders	%	Value	%
1	Clearing Member	95	0.38%	927,180	0.66%
2	Corporate Bodies (Promoter Co)	2	0.01%	1,400	0.00%
3	Foreign Institutional Investors	3	0.01%	2,081,650	1.49%
4	Nationalised Banks	2	0.01%	18,070	0.01%
5	Non Resident Indians (REPATRIABLE)	220	0.88%	454,700	0.32%
6	Non Resident Indians (NON REPATRIABLE)	48	0.19%	54,920	0.04%
7	Other Bodies Corporate	237	0.95%	13,418,480	9.59%
8	Promoters	4	0.02%	96,973,180	69.27%
9	Public	24,298	97.55%	26,070,415	18.62%
10	Trust	1	0.00%	5	0.00%
Total :		24,910	100%	140,000,000	100%

- Distribution Schedule as of March 31, 2014**

Distribution	No. of Shareholders	No. of Shares	% of Shareholding
Less than 2500	23,536	95,49,005	6.82%
2501 - 5000	707	28,61,740	2.04%
5001 - 10000	318	24,10,920	1.72%
10001 - 15000	114	14,57,485	1.04%
15001 - 20000	66	11,43,630	0.82%
20001 - 25000	40	9,38,905	0.67%
25001 - 50000	63	22,96,345	1.64%
Above 50000	66	11,93,41,970	85.25%
Total	24,910	14,00,00,000	100%

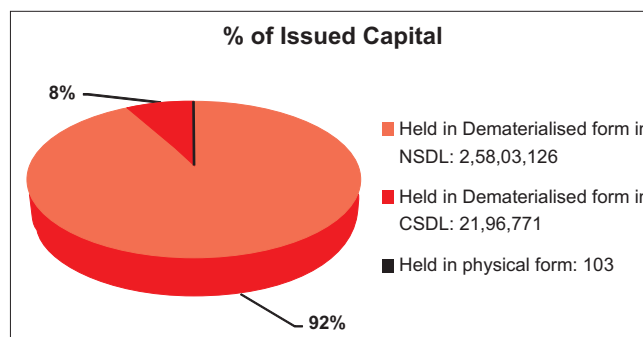
- Registrar & Share Transfer Agents**

In order to attain speedy processing and disposal of share transfer and other allied matters, the Board has appointed M/s Link Intime (India) Private limited as the Registrar and Share Transfer Agents of the Company. Their correspondence address is as follows:

M/s. Link Intime India Private Limited
(Unit - Cineline India Limited)
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup West, Mumbai 400 078
Tel. : 022-2596 0320
Fax: 022-2596 0329

- Share Transfer System**

The trading in Equity shares of the Company being in



For all finance related queries, please write to above address and superscribed with "Kind Attention: CFO"

Email: Investor@cineline.co.in

**For and on behalf
of the Board of Directors**

Place: Mumbai
Date: May 26, 2014

Mr. Rasesh Kanakia
Chairman

ANNEXURE-C TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Cinline India Limited

We have examined the compliance of the conditions of Corporate Governance by Cinline India Limited (the 'Company'), for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company

has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Walker, Chandio & Co LLP
(formerly known as Walker, Chandio & Co)
Chartered Accountants
Firm Registration No. 001076N

per
Partner
Membership No. F-42423

Place : Mumbai
Date : May 26, 2014

CHAIRMAN & CFO CERTIFICATION

We, Rasesh Kanakia, Chairman and Jitendra Mehta, Chief Financial Officer of Cinline India Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, and all its schedules and notes on accounts, as well as the cash flow statements, and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We accept responsibility for establishing and maintaining controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions)
 - a. all deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b. significant changes in internal controls during the year covered by this report;
 - c. all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - d. instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal controls system.
7. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
8. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Rasesh B. Kanakia
Chairman

Jitendra Mehta
Chief Financial Officer

Place : Mumbai
Date : May 26, 2014



INDEPENDENT AUDITORS' REPORT

To the Members of Cinline India Limited (the Company)

Report on the Financial Statements

1. We have audited the accompanying financial statements of Cinline India Limited (the "Company"), which comprise the Balance sheet as at March 31, 2014 and the Statement of profit and loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2014;
 - ii) in the case of Statement of profit and loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Walker, Chandio & Co LLP
(formerly **Walker, Chandio & Co**)
Chartered Accountants
Firm Registration No. 001076N

per **Khushroo B. Panthaky**
Partner
Membership No. F-42423
Place : Mumbai
Date : May 26, 2014

Annexure to the Independent Auditors' Report of even date to the members of Cinline India Limited, on the financial statements for the year ended 31 March 2014

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The Company does not have inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has granted unsecured loans to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹2,850.00 lacs and the year-end balance is ₹Nil.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (c) In respect of loans granted, receipt of the principal amount and the interest is regular.
- (d) There is no overdue amount in respect of loans granted to such companies, firms or other parties.
- (e) The Company has taken unsecured loan from one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹1,975.00lacs and the year-end balance is ₹ Nil.
- (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not, *prima facie*, prejudicial to the interest of the Company.
- (g) In respect of loan taken, repayment of the principal amount and the interest is regular.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services.

During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be further enhanced to be commensurate with its size and the nature of its business.*
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, *though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.*
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.



- (xiii) In our opinion, the Company is not a chit fund or a *nidhi*/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker, Chandiok & Co LLP
(formerly **Walker, Chandiok & Co**)
Chartered Accountants
Firm Registration No. 001076N

per **Khushroo B. Panthaky**
Partner
Membership No. F-42423
Place : Mumbai
Date : May 26, 2014

Balance Sheet as at 31 March 2014

(₹ in lacs)

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	4	1,400.00	1,400.00
Reserves and Surplus	5	5,979.32	5,668.74
Non Current Liabilities			
Long Term Borrowings	6	5,970.65	2,982.49
Deferred Tax Liabilities (Net)	7	417.48	266.03
Other long term liabilities	8	536.15	524.56
Long Term Provisions	9	8.37	3.27
Current Liabilities			
Short Term Borrowings	10	-	155.00
Trade Payables		71.80	61.39
Other Current Liabilities	11	268.56	564.49
Short Term Provisions	12	138.23	66.02
Total		14,790.56	11,691.99
ASSETS			
Non Current Assets			
Tangible Assets	13	9,943.23	10,401.14
Long Term Loans and Advances	14	1,048.71	848.03
Current Assets			
Trade Receivables	15	331.19	178.83
Cash and Bank Balances	16	140.73	166.64
Short Term Loans and Advances	17	3,326.70	97.35
Total		14,790.56	11,691.99
Note 1 to 34 forms an integral part of the financial statements			

This is the Balance Sheet referred to in our report of even date

For Walker, Chandiok & Co LLP
(formerly known as **Walker, Chandiok & Co**)
Chartered Accountants

Khushroo B. Panthaky
Partner

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman

Himanshu B. Kanakia
Managing Director

Jatin J. Shah
Company Secretary

Place : Mumbai
Date : May 26, 2014



Statement of Profit and Loss for the year ended 31 March 2014

(₹ in lacs)

Particulars	Note No.	Year ended 31 March 2014	Year ended 31 March 2013
REVENUE			
Revenue from Operations	18	1,960.97	1,895.94
Other Income	19	310.01	3.62
Total Revenue		2,270.98	1,899.56
EXPENSES			
Operating Expenses	20	78.73	72.15
Employee Benefits Expenses	21	90.99	34.36
Finance Costs	22	661.09	338.17
Depreciation Expense	13	481.14	416.00
Other Expenses	23	497.00	448.76
Total Expenses		1,808.95	1,309.44
Profit before extraordinary Item and Tax		462.03	590.12
Less: Extraordinary item		-	56.63
Profit before Tax		462.03	533.49
Tax Expense :			
Current Tax		93.40	106.74
Deferred Tax		151.45	149.12
MAT Credit Entitlement		(93.40)	(106.74)
Profit after tax		310.58	384.37
Earnings Per Equity Share	27		
(1) Basic		1.11	1.37
(2) Diluted		1.11	1.37
Note 1 to 34 forms an integral part of the financial statements			

This is the Statement of Profit and Loss referred to in our report of even date

For Walker, Chandiok & Co LLP
(formerly known as **Walker, Chandiok & Co**)
Chartered Accountants
Khushroo B. Panthaky
Partner

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman

Himanshu B. Kanakia
Managing Director

Jatin J. Shah
Company Secretary

Place : Mumbai
Date : May 26, 2014

Cash Flow Statement for the year ended 31 March 2014

(₹ in lacs)

	Year ended 31 March 2014	Year ended 31 March 2013
Cash Flow from Operating Activities		
Profit before tax	462.03	533.49
<u>Adjustments for non cash transactions</u>		
Depreciation expense	481.14	416.00
Bad debts	0.68	-
Provision for doubtful debts	-	16.50
Provision no longer required written back	-	(1.66)
Amortisation of Processing Fees	31.00	5.28
Sundry Balances written off / (back)	(55.39)	24.14
	919.46	993.75
Items considered separately		
Interest Expenses	611.76	312.02
Loan Processing Charges	18.33	21.50
Interest Income	(247.43)	(0.34)
	382.66	333.18
Operating Profit before Working Capital Changes	1,302.12	1,326.93
Adjustments for change in working capital		
(Increase) / decrease in trade receivables	(153.04)	48.77
(Increase) / decrease in long term loans and advances	(46.26)	41.08
(Increase) in short term loans and advances	(3,260.35)	(25.61)
Increase / (decrease) in trade payables	55.47	(21.13)
Increase in long term provisions	5.10	3.27
Increase / (decrease) in other current liabilities	(295.93)	735.10
Increase in short term provisions	72.21	38.95
Increase in other long term liabilities	21.92	-
Net Changes in Working Capital	(3,600.88)	820.43
Income Taxes Paid	154.42	204.14
Net Cash generated from / (used in) Operating Activities (A)	(2,453.18)	1,943.22
<u>Cash Flow from Investing Activities</u>		
Purchase of Fixed Assets	(23.23)	(2,396.75)
Interest Received	247.43	0.34
Net Cash generated from / (used in) Investing Activities (B)	224.20	(2,396.41)
<u>Cash Flow from Financing Activities</u>		
Interest paid	(611.76)	(312.02)
Loan Processing Charges paid	(18.33)	(21.50)
Proceed from long term borrowings	2,988.16	782.51
Proceed from / (repayment of) short term borrowings	(155.00)	155.00
Net Cash generated from financing activities (C)	2,203.07	603.99
Net Increase in Cash and Cash Equivalents (A+B+C)	(25.91)	150.80
Cash and Cash Equivalents at the beginning of the year	166.64	514.31
Less: Transferred pursuant to scheme of demerger	-	498.47
	166.64	15.84
Cash and Cash Equivalents at the end of the year	140.73	166.64
Net Increase/(Decrease) as disclosed above	(25.91)	150.80



Cash Flow Statement for the year ended 31 March 2014

(₹ in lacs)

	Year ended 31 March 2014	Year ended 31 March 2013
Notes to Cash flow statement		
1. Cash and cash equivalents at the year end comprise:		
Cash on hand	0.64	1.13
Fixed Deposit Accounts	29.83	26.71
Unclaimed Dividend Accounts	6.51	6.51
Share application money refund account	4.53	4.53
Balances with schedule banks in current accounts	99.22	127.76
	140.73	166.64

2. The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3 on "Cash Flow Statement" as notified by the Central Government under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

This is the Cash Flow Statement referred to in our report of even date

For Walker, Chandiok & Co LLP
(formerly known as **Walker, Chandiok & Co**)
Chartered Accountants

Khushroo B. Panthaky
Partner

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman

Himanshu B. Kanakia
Managing Director

Jatin J. Shah
Company Secretary

Place : Mumbai
Date : May 26, 2014

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

1. Basis of preparation of financial statements

The financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

2. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Significant accounting policies

a. Revenue recognition

- i. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Interest income is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.
- iii. Revenue from rent is recognised based upon the agreement, for the period the property has been let out.
- iv. Revenue from sale of power is booked on monthly basis as per the power generation reports at wind farm and the same is sold to State Government.
- v. Revenue from car parking is based on the actual collection depending on the vehicles parked at the respective sites or as per the agreement entered into for the property.
- vi. Advertisement income is recognised as and when advertisements are displayed at the property.

b. Fixed assets and depreciation / amortisation

- i. Depreciation on fixed assets is provided on the straight-line method at the rates specified

under Schedule XIV of the Companies Act, 1956.

- ii. Fixed assets are stated at cost of acquisition / construction. Cost includes taxes, duties, freight and other incidental expenses related to acquisition / construction. Interest on borrowings to finance acquisition of fixed assets during construction period is capitalised.
- iii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year.

c. Impairment of assets

In accordance with Accounting Standard 28 on "Impairment of Assets" as notified by the Central Government under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus where applicable.

d. Investments

Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not provided for unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

e. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset/project until it was ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs were charged to revenue and recognised as an expense in the statement of profit and loss.

f. Foreign currency transactions

- i. Initial recognition - Transactions denominated in foreign currencies were recorded at the rates of exchange prevailing on the date of the transaction.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

- ii. Conversion - Monetary assets and liabilities denominated in foreign currencies were converted at the rate of exchange prevailing on the date of the balance sheet.
- iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions were included in the statement of profit and loss in the year in which they arise.

g. Employee benefits

- i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
- ii. The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.
- iii. The Company's liability towards gratuity and compensated absences being defined benefit plans is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the statement of profit and loss.

h. Taxes on income

Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

Minimum alternate tax

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustments of future income

tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

i. Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

(₹ in lacs)

	As at 31 March 2014	As at 31 March 2013
4. SHARE CAPITAL		
Authorised:		
80,000,000 (Previous year 80,000,000) Equity Shares of Rs. 5 each	4,000.00	4,000.00
250,000 (Previous Year 250,000) Preference Shares of Rs. 10 each	25.00	25.00
	4,025.00	4,025.00
Issued, Subscribed and Fully paid up:		
Equity Shares		
28,000,000 (Previous Year 28,000,000) Equity Shares of Rs. 5 each	1,400.00	1,400.00
Total	1,400.00	1,400.00
4 (a). RECONCILIATION OF SHARE CAPITAL	Amount (₹ in lacs)	Numbers
Equity Share Capital:		
<u>As at 31 March 2014</u>		
Balance at the beginning of the year	1,400.00	28,000,000
Add: Issued during the year	-	-
Less: Shares bought back during the year	-	-
Total	1,400.00	28,000,000
<u>As at 31 March 2013</u>		
Balance at the beginning of the year	2,800.00	28,000,000
Add: Issued during the year	-	-
Less: Reduction during the year pursuant to the scheme of demerger	1,400.00	-
Total	1,400.00	28,000,000
4 (b). SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES	Number of shares held	% of Holding
<u>As at 31 March 2014:</u>		
Himanshu Kanakia	9,368,424	33.46
Rasesh Kanakia	9,368,524	33.46
ICICI Prudential Life Insurance Company Limited	1,860,422	6.64
<u>As at 31 March 2013:</u>		
Himanshu Kanakia	9,368,424	33.46
Rasesh Kanakia	9,368,424	33.46
ICICI Prudential Life Insurance Company Limited	1,860,422	6.64
4 (c). DETAILS OF ALLOTMENT OF BONUS SHARES	Year	Aggregate Number of shares
Equity Shares:		
Issue of fully paid up shares by way of bonus of Rs. 10 each	2008-09	15,000,000

4 (d). Rights and restrictions attached to equity shareholders

The Company has only one class of equity share having face value of Rs. 5 each. Every holder of equity share is entitled to one vote per equity share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

4 (e). Rights and restrictions attached to preference shareholders:-

The Company has only one class of preference share having face value of Rs.10 each. Every holder of preference share is entitled to one vote per preference share.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)	
	As at 31 March 2014	As at 31 March 2013
5. RESERVES AND SURPLUS		
Capital Redemption Reserve		
Opening Balance	17.02	17.02
Add: Additions during the year	-	-
Closing Balance	<u>17.02</u>	<u>17.02</u>
Securities Premium Reserve		
Opening Balance	3,564.46	9,516.46
Add: Securities Premium credited	-	16.18
Less: Premium debited pursuant to scheme of demerger	-	5,958.48
Less: Premium utilised	-	9.70
Closing Balance	<u>3,564.46</u>	<u>3,564.46</u>
General Reserve		
Opening Balance	55.10	55.10
Add: Additions made during the year	-	-
Closing Balance	<u>55.10</u>	<u>55.10</u>
Surplus		
Opening Balance	2,032.16	1,647.79
Add: Surplus as per Statement of Profit and Loss	310.58	384.37
Closing Balance	<u>2,342.74</u>	<u>2,032.16</u>
Total	<u>5,979.32</u>	<u>5,668.74</u>
6. LONG TERM BORROWINGS		
Term Loans from Banks (Refer Note 28)	5,965.00	1,813.00
Term Loans From Others	-	1,169.49
Vehicle Loans (Refer Note 28)	5.65	-
Total	<u>5,970.65</u>	<u>2,982.49</u>
Note: There is no default, continuing or otherwise, as at the Balance Sheet date, in repayment of any of the above loans.		
7. DEFERRED TAX LIABILITIES (NET)		
Liability		
- On timing difference between book depreciation and depreciation as per Income Tax Act, 1961.	(674.89)	(624.62)
Total Deferred Tax Liability (A)	<u>(674.89)</u>	<u>(624.62)</u>
Assets		
- Provision for doubtful debts	3.02	5.09
- Gratuity	2.60	0.80
- Compensated Absences	0.40	0.35
- Depreciation loss	240.89	338.36
- Demerger expenses	10.50	13.99
Total Deferred Tax Assets (B)	<u>257.41</u>	<u>358.59</u>
Deferred tax liability (A-B)	<u>(417.48)</u>	<u>(266.03)</u>
Reconciliation of deferred tax asset/(liability)		
Opening Balance	(266.03)	496.37
Deferred Tax Asset transferred pursuant to Scheme of Demerger	-	613.28
Closing balance of Deferred Tax Liability	(417.48)	(266.03)
Difference charged to Statement of Profit and Loss	151.45	149.12

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)	
	As at 31 March 2014	As at 31 March 2013
8. OTHER LONG TERM LIABILITIES		
Deposits received	536.15	524.56
Total	536.15	524.56
9. LONG TERM PROVISIONS		
Provision for Employee Benefits:		
- Gratuity (Refer Note 24 (i))	7.26	2.27
- Compensated Absences (Refer Note 24 (ii))	1.11	1.00
Total	8.37	3.27
10. SHORT TERM BORROWINGS		
<u>Loans and advances from Related Parties</u> (repayable on demand)		
-Unsecured loan	-	155.00
Total	-	155.00
Note: There is no default, continuing or otherwise, as at the Balance Sheet date, in repayment of any of the above loans.		
11. OTHER CURRENT LIABILITIES		
<u>Current Maturities of Long-term debt</u> (Refer Note 28)		
- Term loan from Bank	93.00	361.13
- Vehicle Loan	1.27	-
Interest accrued and not due on borrowings	65.70	39.35
Advances from Customers	0.97	0.64
Unpaid Dividends	6.51	6.51
Application money received for allotment of securities and due for refund	4.53	4.53
Deposits Received	46.33	64.16
Other Payables		
- Statutory Dues	50.25	88.17
Total	268.56	564.49
12. SHORT TERM PROVISIONS		
<u>Provision for Employee Benefits</u>		
- Salary and Reimbursements	7.18	3.46
- Gratuity (Refer Note 24 (i))	1.15	0.34
- Compensated Absences (Refer Note 24 (ii))	0.19	0.16
<u>Others</u>		
- Expenses Payable	127.21	59.56
- Provision for Taxation (Net of Advance Tax)	2.50	2.50
Total	138.23	66.02

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

13. TANGIBLE ASSETS (Refer Note 28)

(₹ in lacs)

	GROSS BLOCK (AT COST)					ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	As at 1 April 2013	Transferred in Pursuant to Demerger	Additions during the year	Deletion/ Adjustment	As at 31 March 2014	As at 1 April 2013	Transferred in Pursuant to Demerger	During the year	Deletion/ Adjustment	As at March 2014	As at 31 March 2014	As at 31 March 2013
Freehold Land	1,971.68	-	-	-	1,971.68	-	-	-	-	-	1,971.68	1,971.68
Theatre Buildings	5,690.28	-	-	-	5,690.28	1,506.93	-	190.06	-	1,696.99	3,993.29	4,183.35
Other Buildings	2,396.60	-	-	-	2,396.60	16.23	-	80.05	-	96.28	2,300.32	2,380.37
Plant and Equipments	0.94	-	-	-	0.94	0.34	-	0.07	-	0.41	0.53	0.60
Furniture Fixtures and Office Equipments												
Theatre Furniture and Fixtures	1,189.20	-	0.64	-	1,189.84	565.17	-	113.09	-	678.26	511.58	624.03
Other Furniture, Fixtures and Office Equipments	160.77	-	-	-	160.77	76.44	-	15.26	-	91.70	69.07	84.33
Computers	0.95	-	1.55	-	2.50	0.63	-	0.34	-	0.97	1.53	0.32
Vehicles	1.40	-	21.04	-	22.44	0.66	-	1.13	-	1.79	20.65	0.74
Wind Energy Generator	1,536.70	-	-	-	1,536.70	380.98	-	81.14	-	482.12	1,074.58	1,155.72
Total	12,948.52	-	23.23	-	12,971.75	2,547.38	-	481.14	-	3,028.52	9,943.23	10,401.14
Previous Year	30,800.74	20,249.00	2,396.78	-	12,948.52	7,673.06	5,541.68	416.00	-	2,547.38	10,401.14	

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

OR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
14. LONG TERM LOANS AND ADVANCES		
Security Deposits		
Unsecured, considered good	0.35	12.35
Prepaid expenses	58.26	-
Advance Tax (Net of Provisions)	546.00	484.98
MAT Credit Entitlement	444.10	350.70
Total	1,048.71	848.03
15. TRADE RECEIVABLES		
Trade Receivables outstanding for a period less than six months from the date they are due for payment :		
Unsecured, considered good*	300.99	154.71
	300.99	154.71
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment :		
Unsecured, considered good*	30.20	24.12
Unsecured, considered doubtful	9.76	16.50
	39.96	40.62
Less: Provision for doubtful debts	9.76	16.50
	30.20	24.12
Total	331.19	178.83
*Includes dues from Company under the same management		
Centaur Mercantile Private Limited	74.18	-
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
- Cash on hand	0.64	1.13
Balances with Banks		
- in Current Accounts	99.22	127.76
	99.86	128.89
Other Bank Balances		
- in Unclaimed Dividend Accounts	6.51	6.51
- in Share Application Money Refund Account	4.53	4.53
- in Fixed Deposit Accounts with maturity less than 12 months	29.83	26.71
	40.87	37.75
Total	140.73	166.64
17. SHORT TERM LOANS AND ADVANCES		
Loans and Advances		
- Unsecured, considered good	3,265.89	-
- Advances recoverable in cash or in kind, or for the value to be received	60.81	97.35
Total	3,326.70	97.35



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
18. REVENUE FROM OPERATIONS		
<u>Rental Income</u>		
- Mall Rentals	1,316.92	1,237.15
- Rental Income ATS/BTS	71.19	86.22
- Common Area Maintenance	146.04	230.28
	1,534.15	1,533.65
Advertisement Income	29.02	42.27
Income from Car Parking	121.08	115.86
<u>Sale of Products</u>		
- Sale of Power	156.54	174.10
- Other Operating Revenues	120.18	10.06
Total	1,960.97	1,895.94
19. OTHER INCOME		
Interest Income	247.43	0.34
Sundry balances written back	55.39	1.66
Miscellaneous Income	7.19	1.62
Total	310.01	3.62
20. OPERATING EXPENSES		
Power and Fuel	76.29	65.81
Other Operating Expenses	2.44	6.34
Total	78.73	72.15
21. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus (including Directors' Remuneration)	81.76	28.63
Contribution to Provident and Other Funds (Refer note 24)	8.03	4.99
Staff Welfare	1.20	0.74
Total	90.99	34.36
22. FINANCE COSTS		
Interest		
- on term loans	611.42	308.53
- on vehicle loan	0.34	-
- on others	-	3.49
Finance charges	49.33	26.15
Total	661.09	338.17

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
23. OTHER EXPENSES		
Travelling and Conveyance	4.02	0.76
Communication Expenses	7.99	4.30
Insurance	1.72	4.08
Rates and Taxes		
- Property Tax	220.13	216.86
- Others	18.11	6.29
	238.24	223.15
Legal and Professional Fees	28.50	20.83
Director's Sitting Fees	2.00	2.72
<u>Repairs and Maintenance</u>		
- Building	12.90	23.13
- Common Area Maintenance	53.53	14.77
- Cleaning Charges	16.96	14.16
- Plant and Equipments	2.01	19.70
- Others	60.38	28.38
	145.78	100.14
Advertising and Publicity	3.58	6.26
Marketing and Sales Promotion	4.58	0.06
Auditors' Remuneration (Refer Note 29)	3.61	2.66
Security Charges	36.82	33.63
Printing and Stationery	8.95	2.51
Bad debts	0.68	-
Provision for Doubtful debts	-	16.50
Bank Charges	0.77	0.63
Sundry Debit Balances written off	-	24.14
Miscellaneous Expenses	9.76	6.39
Total	497.00	448.76

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

24. Disclosures pursuant to Accounting Standard 15 “Employee Benefits”

- i. The Company has a defined benefit gratuity plan. Every employee gets a gratuity on leaving the Company after the completion of five years, at fifteen days of last drawn salary for each completed year of service.

The following table set out the status of the gratuity plan as required under Accounting Standard 15 “Employee Benefits” and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

I. Assumption:	31 March 2014	31 March 2013
Discount Rate	9.29%	8.00%
Salary Escalation	6.00%	6.00%
Attrition rate	12.00%	12.00%
II. Table Showing Change in Benefit Obligation:	31 March 2014	31 March 2013
	(₹ in lacs)	(₹ in lacs)
Liability at the beginning of the year	2.61	121.19
Interest Cost	0.21	0.12
Current Service Cost	0.60	0.31
Liability Transfer out	-	(119.17)
Actuarial losses on obligations	4.99	0.16
Liability at the end of the year	8.41	2.61
III. Amount Recognised in the Balance Sheet:		
Liability at the end of the year	(8.41)	(2.61)
Funded Status	(8.41)	(2.61)
Amount Recognised in the Balance Sheet	(8.41)	(2.61)
IV. Expenses Recognised in the Statement of Profit and Loss:		
Current Service Cost	0.60	0.31
Interest Cost	0.21	0.12
Actuarial (gain) / loss	4.99	0.16
Expenses Recognised in Statement of Profit and Loss	5.80	0.59
V. Balance Sheet Reconciliation:		
Opening Net Liability	2.61	121.19
Expenses as above	5.80	0.59
(Net transfer out)	-	(119.17)
Amount recognised in Balance Sheet	8.41	2.61
VI. Experience adjustment:		
On plan liability (gain) / loss	5.51	0.12

As the plan is unfunded, contribution is taken as equal to the benefit paid by the Company.

- ii. The Company has a defined benefit compensated absences plan. It is payable to all the eligible employees at the rate of daily salary subject to a maximum of forty two days.

The following table set out the status of the compensated absences benefit obligation as required under Accounting Standard 15 “Employee benefits”:

	(₹ in lacs)	
Particulars	31 March 2014	31 March 2013
Liability at the end of the year	1.29	1.16
Amount recognised in the Balance Sheet		
- Non Current	1.11	1.00
- Current	0.19	0.16

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

25. Segment reporting:

Primary segment information

The Company is organised into two-business segments viz. Retail space division comprising of construction of malls for sale and or lease to third parties and Windmill division comprising of wind energy generator.

(₹ in lacs)			
Particulars	Retail Space	Windmill	Total
External Sales (Gross)	1,811.62	156.54	1,968.16
	(1,725.46)	(174.10)	(1,899.56)
Inter- segment Sales	-	-	-
Total Revenue	1,811.62	156.54	1,968.16
	(1,725.46)	(174.10)	(1,899.56)
Segment Results	747.23	33.28	780.51
	(855.05)	(52.77)	(907.82)
Unallocated Corporate Income / (Expenses)			297.21
			(-5.04)
Interest Expense			615.69
			(312.66)
Extraordinary Items			-
			(56.63)
Profit before Tax			462.03
			(533.49)
Provision/Deferred Taxation			151.45
			(149.12)
Profit after tax			310.58
			(384.37)
Other information			
Segment Assets	9,185.36	1,154.41	10,339.77
	(9,455.24)	(1,203.42)	(10,658.66)
Unallocable Corporate Assets			4,450.79
			(1,033.33)
Total Assets			14,790.56
			(11,691.99)
Segment Liabilities	832.91	13.56	846.47
	(799.76)	(43.67)	(843.43)
Unallocable Corporate Liabilities			594.12
			(797.33)
Total Liabilities			1,440.59
			(1,640.76)
Capital Employed			13,349.97
			(10,051.23)

(Figures in bracket indicates previous year figures)

Secondary segment information:

The Company does not have geographical distribution of revenue hence the secondary segmental reporting based on geographical location of its customers is not applicable to the Company.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

26. Disclosure of related party transactions under Accounting Standard 18 “Related Party Disclosures”

In accordance with the disclosure requirements of Accounting Standard 18 “Related Party Disclosures” the details of related party transactions are given below:

i. List of related parties:

Nature of relationship	Name of related parties
Directors and Key Management Personnel	1. Mr. Rasesh Kanakia 2. Mr. Himanshu Kanakia 3. Mr. Sanjay Sanghvi
Relatives of Directors and Key Management Personnel	1. Mrs. Rupal Kanakia 2. Mrs. Hiral Kanakia 3. Mrs. Manisha Vora
Entities under common control or significant influence can be exercised	1. Kanakia Spaces Private Limited 2. Centaur Mercantile Private Limited 3. Cinemax India Limited (Upto 7 January 2013)

ii. Transactions with related parties:

Nature of Transaction	Entities under common control or significant influence	Key management personnel	Relatives of key management personnel
(₹ in lacs)			
Advances given / payment made			
Kanakia Spaces Private Limited	7,126.54 (50.00)		
Cinemax India Limited	- (792.50)		
Advances received/ payment received			
Kanakia Spaces Private Limited	6,971.54 (205.00)		
Cinemax India Limited	- (712.11)		
Expenses incurred by us on behalf of			
Cinemax India Limited	- (61.63)		
Expenses incurred on our behalf by			
Kanakia Spaces Private Limited	0.15 (-)		
Centaur Mercantile Private Limited	16.98 (-)		
Cinemax India Limited	- (315.10)		
CAM Income			
Cinemax India Limited	- (135.09)		
CAM Received			
Cinemax India Limited	- (140.38)		
Income received by us on behalf of			
Cinemax India Limited	- (8.22)		

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

Nature of Transaction	Entities under common control or significant influence	Key management personnel	(₹ in lacs)
			Relatives of key management personnel
Income received on our behalf by			
Cinemax India Limited	- (208.77)		
Rent Income			
Cinemax India Limited	- (734.20)		
Centaur Mercantile Private Limited	124.45 (19.26)		
Other operating revenue			
Centaur Mercantile Private Limited	106.50 (-)		
Rent received			
Cinemax India Limited	- (810.36)		
Centaur Mercantile Private Limited	134.62 (-)		
Interest Charged			
Kanakia Spaces Private Limited	- (3.49)		
Interest Income			
Kanakia Spaces Private Limited	29.69 (-)		
Fixed Assets purchase			
Centaur Mercantile Private Limited	- (2,303.80)		
Remuneration			
Rasesh Kanakia		6.25 (-)	
Himanshu Kanakia		6.25 (-)	
Others			6.73 (1.79)
Balances outstanding			
Debit balances:			
Centaur Mercantile Private Limited	74.18 (-)		
Credit balances:			
Kanakia Spaces Private Limited	- (158.49)		

(Figures in brackets indicate previous year figures)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

27. Earnings per share (EPS)

The basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Profit available for equity shareholders (Rs. in lacs)	310.58	384.37
Weighted average number of shares	280.00	280.00
Earnings per share (Rs.)		
- Basic	1.11	1.37
- Diluted	1.11	1.37
Face value per share (Rs.)	5	5

28. Bank Borrowings:

A. Term Loans taken from Axis Bank are secured against:

- Personal guarantee of Mr. Rasesh Kanakia and Mr. Himanshu Kanakia.
- Charge on the moveable fixed assets and current assets of the Company.

Primary charge

- Hypothecation of receivables (pertaining to Nagpur mall, multiplexes leased to Cinemax India Limited, advertisement revenue, car parking revenue and revenue from sale of power).
- Escrow agreement to be executed by the Company with the bank and to be acknowledged by the tenants to route the cash flows through the designated account.

Collateral charge

- Exclusive charge by way of mortgage of the following two properties:
 - Commercial building "Eternity mall and Multiplex" situated at plot no. 1, KH No. 312/2,313/1, Bearing Corporation House No. 22, C.S No. 1784/1, Ward No. 71, Mouje Sitabuldi, Taluka and District Nagpur
 - Commercial building "Cinemax" Multiplex, Eternity Mall, Teen Haat Naka, L.B.S. Marg, Thane (West) 400602.

B. The car loan from Axis bank is secured against Maruti Suzuki SX4 for which the loan was taken.

C. Terms of repayment:

(₹ in lacs)

Nature of Loan	Within 1 Year	More than 1 year but less than 3 years	More than 3 years
On term loan	93.00	417.00	5,548.00
On Vehicle loan	1.27	2.97	2.68
Total Loan	94.27	419.97	5,550.68

D. Rate of Interest

Nature of loan	Rate of interest
On term loan	Axis bank base rate + 2.50%
On vehicle loan	10.40%

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

29. Auditors' Remuneration (exclusive of Service Tax):

(₹ in lacs)

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Audit fees	3.50	2.50
Out of pocket expenses	0.11	0.16
Total	3.61	2.66

30. Based on the available information with the management, the Company does not owe any sum to a micro, small or medium enterprise as defined in Micro, Small and Medium Enterprises Development Act, 2006.
31. Extraordinary item pertain to the expenses incurred towards carrying out the process of demerging the Company's theatre exhibition business into a separate entity viz. Cinemax India Limited.
32. The current assets, loans and advances are stated at the value, which in the opinion of the board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.
33. Balances of certain trade receivables, advances and trade payables are subject to confirmation/reconciliation and subsequent adjustment, if any. In the opinion of the management such adjustment are not likely to be material.

34. Previous year comparatives

Figures for the previous year have been regrouped wherever considered necessary to confirm with the current years' presentation.

For Walker, Chandiok & Co LLP
(formerly known as **Walker, Chandiok & Co**)
Chartered Accountants

Khushroo B. Panthaky
Partner

Place : Mumbai
Date : May 26, 2014

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman

Himanshu B. Kanakia
Managing Director

Jatin J. Shah
Company Secretary

Place : Mumbai
Date : May 26, 2014

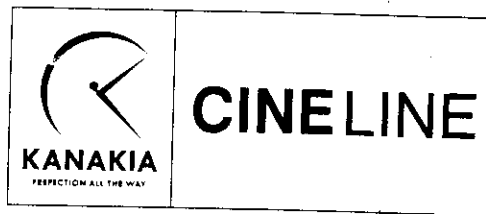
CINELINE

CINELINE INDIA LIMITED
(FORMERLY KNOWN AS CINEMAX PROPERTIES LIMITED)

215 Atrium, 10th Floor, Opp. Divine School,
Andheri Kurla Road, Andheri- East, Mumbai - 400 093. India.
Tel No.: 022- 6726 6666 / 7777 | Fax No.: 022- 6693 7777
Website: www.cineline.co.in
CIN : L92142MH2002PLC135964

Prism Strategic Communications (www.prismnet.in)





National Stock Exchange Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Fax: 022-26598237/38

Bombay Stock Exchange Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
PJ Towers, Dalal Street,
Fort, Mumbai - 400 001
Fax: 022-22722061/41/39/37

Company Code: CINE LINE (NSE) / 532807(BSE)
Sub: Form A as per Clause 31 (a) of Listing Agreement

Dear Sir,

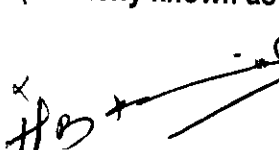
Please find below Form A of Annual Audit Report as per the Clause 31(a) of the Listing Agreement:

1.	Name of the Company	Cineline India Limited (Formerly known as Cinemax Properties Limited)
2.	Annual Statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable

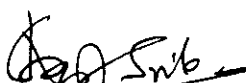
This is for your information and record.


Kindly acknowledge the same.

Yours truly,
For Cineline India Limited
(Formerly known as Cinemax Properties Limited)


Himanshu Kanakia
Managing Director


Jitendra Mehta
CFO


Kranti Sinha
Chairman - Audit
Committee


Walker Chandiook & Co. LLP
Statutory Auditor

Place: Mumbai

Date: 19th September, 2014